

Message Text

CONFIDENTIAL

PAGE 01 LIMA 06384 100848Z
ACTION PM-05

INFO OCT-01 ARA-10 ISO-00 MCE-00 ACDA-07 OMB-01 TRSE-00
AID-05 IGA-02 EB-08 INR-07 DODE-00 NSC-05 SP-02
SS-15 CIAE-00 NSAE-00 L-03 /071 W
-----066316 100852Z /15/43

P R 281338Z JUL 77
FM AMEMBASSY LIMA
TO SECSTATE WASHDC PRIORITY 5929
INFO AMEMBASSY CARACAS
AMEMBASSY BOGOTA
AMEMBASSY QUITO
AMEMBASSY LA PAZ
USCINCSO

C O N F I D E N T I A L LIMA 6384

C O R R E C T E D C O P Y (REFERENCE A SHUD READ 171096 VICE 171069
)

E.O. 11652: GDS
TAGS: MASS, VE, EC,PE, BL, CO
SUBJECT: FY 79 SECURITY ASSISTANCE

REF: A. STATE 171096 B. LIMA 5985

SUMMARY: PER REF A, MISSION SUGGESTS FOLLOWING ALTERNATIVE
LEVELS FOR FY 1979 FMS CREDIT FOR PERU ON ASSUMPTION THAT ROUGHLY
COMPARABLE LEVELS OF CREDIT ARE BEING PROPOSED FOR BOLIVIA AND
ECUADOR: MINIMUM LEVEL \$7MILLION, INTERMEDIATE LEVEL \$9
MILLION, CURRENT LEVEL \$10 MILLION. MISSION STRONGLY
SUPPORTS IMET PROGRAM AS SERVING IMPORTANT US INTERESTS AND
SUGGESTS MINIMUM LEVEL OF \$500,000, INTERMEDIATE LEVEL OF
\$750,000 AND RECOMMENDS CURRENT LEVEL OF \$900,000. END SUMMARY.

1. IN THE AMBASSADOR'S ASSESSMENT OF THE FY 1979 SECURITY
ASSISTANCE PROGRAM (REF B), IT IS SUGGESTED THAT FMS CREDIT
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LIMA 06384 100848Z

FOR PERU BE CONSIDERED IN TERMS OF US INTEREST IN
MAINTAINING A "NORMAL RELATIONSHIP" WITH THE
PERUVIAN GOVERNMENT AND THE PERUVIAN MILITARY TO
DO SO, THE US MUST AVOID AROUSING LATENT SUSPICIONS
HERE THAT THE US IS DISCRIMINATING AGAINST PERU AS, FOR
INSTANCE, IN LEVEL OF FMS CREDIT OFFERED TO BOLIVIA AND
ECUADOR. SHOULD THE USG DECIDE TO FURTHER CURTAIL OR ELIMINATE

FMS CREDIT TO THE WHOLE REGION, THE GOP WOULD PROBABLY ACCEPT THIS DECISION AND IT WOULD NOT AFFECT ADVERSELY THE CURRENT STATE OF US-PERUVIAN RELATIONS. BUT IF FMS CREDIT IS TO BE OFFERED PERU'S NEIGHBORS, MISSION BELIEVES THAT THE CURRENT MODEST FMS CREDIT PROGRAM SHOULD BE CONTINUED.

2. FOLLOWING IS MISSION ASSESSMENT OF PROBABLE IMPACT OF MINIMUM, INTERMEDIATE AND CURRENT LEVELS OF FY 1979 FMS CREDIT:

- MINIMUM LEVEL - BEARING IN MIND REGIONAL CONSIDERATIONS CITED IN PARA 1, MISSION BELIEVES THAT \$6-7 MILLION WOULD REPRESENT MINIMUM EFFECTIVE LEVEL. ANOTHER 50 PERCENT CUT TO \$5 MILLION OR LESS (AFTER SIMILAR CUT THIS YEAR) WOULD IN OUR JUDGMENT HAVE PSYCHOLOGICAL EFFECT OF RAISING QUESTIONS OF OUR SERIOUSNESS AND OF VALUE OF CONTINUING AN FMS CREDIT PROGRAM AT ALL. AS TO EQUIPMENT TO BE FINANCED AT \$7 MILLION LEVEL, US POLICY OF NOT APPLYING NEW LETHAL WEAPONS WHICH COULD CONTRIBUTE TO ANDEAN ARMS BUILD-UP WOULD PRECLUDE CREDIT FOR SOME EQUIPMENT DESIRED BY PERU, E.G. A-10'S, MEDIUM TANKS, ALTHOUGH EVEN CURRENT FMS LEVEL WOULD BE INADEQUATE TO PERMIT ANY SIGNIFICANT ACQUISITION ON CREDIT OF THESE RELATIVELY EXPENSIVE WEAPONS SYSTEMS. MINIMUM LEVEL OF FMS, THEN, WOULD MOST EFFECTIVELY BE USED FOR SPARES SUPPORT PACKAGES FOR US SHIPS, AIRCRAFT (T-37'S, CONFIDENTIAL

CONFIDENTIAL

PAGE 03 LIMA 06384 100848Z

HELICOPTERS) AND ARMoured VEHICLES STILL IN PERUVIAN INVENTORY.

- INTERMEDIATE LEVEL - MISSION WOULD PROPOSE AN INTER-MEDIATE LEVEL OF \$9 MILLION. DECREASE OF 10 PERCENT FROM CURRENT PROPOSED LEVEL OF \$10 MILLION PROBABLY WOULD HAVE LITTLE IMPACT ON GOP PERCEPTIONS OF US TREATMENT AND, AS A PRACTICAL MATTER, WOULD MAKE LITTLE DIFFERENCE IN TERMS OF THE ALREADY MARGINAL CREDIT BEING OFFERED. AS IN THE MINIMUM LEVEL PROJECTION, FUNDS WOULD GO PRINCIPALLY FOR SPARES SUPPORT.

- CURRENT LEVEL - LEVEL OF \$10 MILLION IS AMOUNT GOP ANTICIPATES FOR FY 1979, HAVING ALREADY ACCEPTED 50 PERCENT REDUCTION FROM PREVIOUS FMS CREDIT LEVELS OF \$20 MILLION. SMALL DIFFERENCE BETWEEN INTERMEDIATE AND CURRENT LEVELS WOULD NOT AFFECT TYPE OF EQUIPMENT ACQUIRED.

3. IMET - AMBASSADOR NOTED IN REF B THAT CURRENT IMET PROGRAM VERY MUCH SERVES US INTERESTS IN MAINTAINING IMPORTANT PROFESSIONAL RELATIONSHIP WITH THE PERUVIAN MILITARY AND SHOULD BE CONTINUED. SHARPLY CURTAILING OR ENDING IMET WOULD BE VERY DISAPPOINTING TO PERUVIAN MILITARY WHICH VALUES HIGH QUALITY OF US MILITARY TRAINING. MORE

IMPORTANTLY, HOWEVER, US WOULD LOSE ITS PRINCIPAL MEANS OF INFLUENCING FUTURE LEADERS OF THE PERUVIAN MILITARY INSTITUTIONS. FOLLOWING ASSESSES IMPACT ON CURRENT PROGRAM AT THREE LEVELS OF IMET FUNDING FOR FY 1979 (\$900,000 AT CURRENT PROPOSED LEVEL):

- MINIMUM LEVEL - AT A LEVEL OF \$500,000, IMET FOR PERU WOULD BE LIMITED TO CADET AND NCO TRAINING AT THE SCHOOL OF AMERICAS IN THE CANAL ZONE. VIRTUALLY ALL PROFESSIONAL TRAINING OF MID-GRADE OFFICERS IN CONUS, WHICH MISSION BELIEVES THE MOST VALUABLE FORM OF TRAINING IN TERMS OF US INTERESTS, WOULD BE ELIMINATED AS WOULD THE IMPORTANT ANNUAL VISIT TO THE US OF THE SENIOR OFFICER CLASS OF THE PRESTIGIOUS PERUVIAN WAR COLLEGE (CAEM).
- INTERMEDIATE LEVEL - AT A LEVEL OF \$750,000 SOME, BUT
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 LIMA 06384 100848Z

NOT ALL, OF THE CURRENT PROFESSIONAL TRAINING COULD BE OFFERED BUT THE CAEM VISIT WOULD HAVE TO BE ELIMINATED.
- CURRENT LEVEL - LEVEL OF \$900,000 WOULD PERMIT CONTINUATION OF CANAL ZONE AND CONUS TRAINING AS WELL AS VISIT OF CAEM, ALL OF WHICH MISSION BELIEVES ARE IMPORTANT TO US INTERESTS. SHLAUDEMAM

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MILITARY ASSISTANCE, APPROPRIATIONS, MILITARY ASSISTANCE PROGRAMS
Control Number: n/a
Copy: SINGLE
Sent Date: 28-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LIMA06384
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770305-1331, D770270-1024
Format: TEL
From: LIMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770710/aaaaahyn.tel
Line Count: 142
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 11ee8662-c288-dd11-92da-001cc4696bcc
Office: ACTION PM
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 STATE 171096, 77 STATE 171069
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 26-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1719800
Secure: OPEN
Status: NATIVE
Subject: FY 79 SECURITY ASSISTANCE
TAGS: MASS, VE, EC, PE, BL, CO, US
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/11ee8662-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009